

farms and ranches should not have to be sold simply because the owner passes away.

Mr. BLUMENAUER. Mr. Speaker, today's debate is really one of priorities and fiscal discipline, not the estate tax. There is no question that the inheritance tax is badly in need of reform. Since I came to Congress, I have supported increasing the exemption, adjustments for inflation, modification of rates, and protections for closely-held and family businesses. That approach would gain the support of the vast majority of my colleagues, and would also offer more immediate and more reliable relief than a phased-in repeal that could be halted at the first sign of economic trouble.

By contrast, the bill the President vetoed contained much less than met the eye—and much less than those who own businesses, woodlots and farms deserve. Far from offering predictability, certainly and immediate relief, this proposal promised only a roll of the dice, continuing current inequities over a ten-year period and inviting future freezes and reversals.

More fundamentally, since I have been in Congress, I have been dismayed by our eagerness to act on the problems of those who need help the least, while ignoring those who need help the most. We have put the needs of children, senior citizens and working families of modest means on hold. For example, congress has proposed repealing the "death tax" that affects a few hundred of America's wealthiest people, but has done nothing to address the "life tax" that affects the poorest of the 1.6 million people—22 percent of America's elderly—in nursing homes. They cannot receive assistance with their nursing home costs, which run \$46,000 on average, unless they "spend down" their non-housing assets to less than \$2,000. This policy imposes financial hardship on the most vulnerable before they die—300,000 people in 1998 alone—and in some cases exacts an extraordinary cruel emotional toll, as when long-married couples are counseled to seek divorce.

Congress has done nothing to help the 1/3 of our poorest senior citizens who have not prescription drug coverage and pay the highest drug prices in the world. Nor has Congress addressed the health insurance needs of 11 million uninsured children. A study by the Oregon Center for Public Policy found that, despite an extraordinarily strong economy, working Oregonians were basically no better off than they had been ten or 20 years ago. One in seven working families with children is poor, and one in nine faces hunger at some point during the year.

This is part of a huge tax reduction that makes it harder to meet our long-term priorities while ignoring the needs of most American families. I do not believe that anyone should ever have to sell a family business because a principal has died. Nor do I believe that elderly Americans should have to divorce their spouses in order to afford a nursing home, or that parents should have to choose between providing food or health care for their children. If Congress acts responsibly, we can solve these problems. The President is correct in resisting a series of tax cuts that favor those who need help the least until there is equal attention to the plight of those who need our help the most.

Mr. KNOLLENBERG. Mr. Speaker, the Estate tax is one of the most egregious examples of bad tax policy in Washington. It's un-

fair, unseemly and economically unsound. Under the guise of making the rich pay their fair share, the death tax has a negative impact on the economy and hurts ordinary Americans. Ironically, those most affected by the death tax are not the wealthy, who have resources to shelter their assets as well as incentive to simply spend their wealth while they are alive but family owned businesses.

The death tax is one of the major reasons businesses don't survive because owners are forced to sell their businesses in order to pay the tax. Less than half of all family owned businesses survive the death of a founder and only 5% survive to the third generation.

The death tax forces businesses to divert money from productive uses such as capital investment and job creation to estate planning. Sixty percent of small businesses owners report they would create new jobs over their coming year if estate taxes were eliminated.

With the nation's savings rate at a record low, we should be encouraging savings, not punishing it. Americans should not be taxed for working hard to pass their wealth on to their children so that they may have a better life. This legislation will help the American people and the American economy. I urge the President to reconsider and sign this bill into law.

Mr. BEREUTER. Mr. Speaker, this Member rises today to oppose the veto override of H.R. 8, the Estate Tax Elimination Act of 2000. This Member does not support the complete repeal of the Federal inheritance tax for the wealthiest Americans—billionaires and mega-millionaires.

On June 9, 2000, this Member voted for H.R. 8 based on his desire to move the inheritance tax reform process forward by dramatically increasing the Federal inheritance tax exemption level. In this Member's statement in the CONGRESSIONAL RECORD on June 9, 2000, he indicated that if a conference report did not change from the House-passed bill, this Member would vote no. But, of course, the Senate passed the House bill, and there was no conference report. Accordingly, this Member has given his word in writing that he would not vote for such a bill to become law. This Member cannot break his promise to his constituents.

If the Presidential veto is sustained, it is this Member's hope that meaningful legislation could be passed this year which would increase dramatically the exemption level to the Federal inheritance tax and would also provide a reduction in Federal inheritance tax rates for all those who pay this tax whether they are subject to the highest inheritance tax rate (55%) or the lowest inheritance tax rate (18%).

This Member is a long-term advocate of inheritance tax reduction, especially in regard to protecting small businesses and family farms and ranches. This Member believes that inheritance taxes unfortunately do adversely and inappropriately affect Nebraskan small business and family farms and ranches when they attempt to pass this estate from one generation to the next.

Accordingly, to demonstrate this Member's very real support for inheritance tax reform, this Member supported the Taxpayer Relief Act of 1997 which passed on July 31, 1997. This Act phased-in an increase in the unified credit exemption from the current level of \$675,000 to \$1.0 million in 2006. Also, it provided an immediate exclusion of \$1.3 million

(not in addition to the broader exclusion) for a limited variety of eligible closely-held family farms and businesses.

At the current time, this Member does not support the complete elimination of inheritance taxes. It would be a great political error and controversy to eliminate the inheritance tax on people like Steve Forbes or other billionaires or mega-millionaires. Also, it would discourage some of the largest of the charitable contributions and the establishment of charitable foundations. The benefits of these foundations to American society are invaluable. Our universities and colleges, too, would see a very marked reduction in the gifts they receive if the inheritance tax on the wealthiest Americans was totally eliminated. Despite the legal talents the super-rich can afford, such an inheritance tax change would have major consequence. The total elimination of the inheritance tax is a bad idea.

This Member's past vote for this legislation was a demonstration of his desire to move the inheritance tax reform process forward by increasing dramatically the exemption level to the Federal inheritance tax. There is overwhelming support among his constituents for this kind of reform.

It is important to remind constituents that Congress did pass into law the Taxpayer Relief Act of 1997, with this Member's support. This Act phased-in an increase in the unified credit exemption from the current 2000 level of \$675,000 to \$1.0 million in 2006. Also, it provided an immediate exclusion of \$1.3 million (not in addition to the broader exclusion) for a limited variety of eligible closely-held family farms and businesses.

Specifically, this Member does not support repealing the inheritance tax, with the final step completed in this legislation to zero percent inheritance tax from the year 2009 to the year 2010 as proposed. Instead, this Member prefers the Ewing approach which he enthusiastically supports. This Member is an original cosponsor of H.R. 4112 which was introduced by the distinguished gentleman from Illinois (Mr. Ewing) on March 29, 2000. This measure (H.R. 4112) would immediately increase the Federal inheritance tax exemption from a rate of \$675,000 to \$5 million and would then increase this exemption annually over the next three years until it reaches a total of \$10 million in 2003. After reaching the \$10 million level in 2003, the exemption would be indexed annually thereafter to account for inflation. Essential inheritance tax relief is provided by H.R. 4112 for even wealthy business and farm families. This Member is even willing to raise the exemption level beyond \$10 million to, for example, \$15 million.

By the way, most Nebraskans pay more state inheritance taxes than Federal inheritance or estate taxes so Nebraskans should also consider pushing for reductions or reforms in their state taxes.

Again, Mr. Speaker, for the aforementioned reasons, this Member rises today to oppose the veto override of H.R. 8, the Estate Tax Elimination Act of 2000.

Mr. PAUL. Mr. Speaker, I am pleased to rise in support of the Social Security Tax Relief Act (H.R. 4865). By repealing the 1993 tax increase on Social Security benefits, Congress will take a good first step toward eliminating one of the most unfair taxes imposed on seniors: the tax on Social Security benefits.

Eliminating the 1993 tax on Social Security benefits has long been one of my goals in